Form BD

OMB APPROVAL	
OMB Number:	3235-0012
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hours per response.	2.75
per amendment	0.33

Uniform Application
for
Broker-Dealer Registration

SEC 1490 (06-01)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

FORM BD INSTRUCTIONS

A. GENERAL INSTRUCTIONS

1. Form BD is the Uniform Application for Broker-Dealer Registration. Broker-Dealers must file this form to register with the Securities and Exchange Commission, the *self-regulatory organizations,* and *jurisdictions* through the Central Registration Depository ("CRD") system, operated by the NASD.
2. **UPDATING** – By law, the *applicant* must promptly update Form BD information by submitting amendments whenever the information on file becomes inaccurate or incomplete for any reason.
3. **CONTACT EMPLOYEE** – The individual listed as the contact employee must be authorized to receive all compliance information, communications, and mailings, and be responsible for disseminating it within the *applicant's* organization.

4. **GOVERNMENT SECURITIES ACTIVITIES**

   A. Broker-dealers registered or *applicants* applying for registration under Section 15(b) of the Exchange Act that conduct (or intend to conduct) a government securities business in addition to other broker-dealer activities (if any) must file a notice on Form BD by answering "yes" to Item 2B.
   B. Section 15C of the Securities Exchange Act of 1934 requires sole government securities broker-dealers to register with the SEC. To do so, answer "yes" to Item 2C if conducting *only* a government securities business.
   C. Broker-dealers registered under Section 15(b) of the Exchange Act that cease to conduct a government securities business must file notice when ceasing their activities in government securities. To do so, file an amendment to Form BD and answer "yes" to Item 2D.

NOTE: Broker-dealers registered under Section 15C may register under Section 15(b) by filing an amendment to Form BD and answering "yes" to Items 2A and 2D. By doing so, broker-dealer expressly consents to withdrawal of broker-dealer's registration under 15C of the Exchange Act.

5. **SECURITY FUTURES PRODUCTS ACTIVITIES**
   A. An *applicant* registering by notice as permitted by Section 15(b)(11)(A) of the Securities Exchange Act of 1934 in order to conduct business in security futures products must file a notice on Form BD by answering "yes" to Item 2E. Such an *applicant* is referred to below as a "security futures product broker-dealer."
   B. A security futures product broker dealer must be registered with the Commodity Futures Trading Commission as a futures commission merchant or an introducing broker. An *applicant* registering as a security futures product broker-dealer must state that it is registered with the Commodity Futures Trading Commission as a futures commission merchant or an introducing broker by answering "yes" to Item 2F.
   C. A security futures product broker-dealer must be a member of the National Futures Association or another national securities association registered under Section 15A(k) of the Securities Exchange Act of 1934. To indicate such membership, an *applicant* registering as a security futures product broker-dealer must answer "yes" to Item 2G.
   D. Except for securities transactions that do not require broker-dealer registration (such as transactions in government securities that are incidental to its futures-related business as defined in Rules 3a43-1 and 3a44-1 under the Securities Exchange Act of 1934), a security futures product broker-dealer must limit its business in securities to security futures products. An *applicant* registering as a security futures product broker-dealer must indicate that it will properly limit its securities business by answering "no" to Item 2H.

NOTE: A security futures product broker-dealer may apply for registration as a "full" broker-dealer pursuant to Section 15(b)(1) of the Securities Exchange Act of 1934 to conduct business in securities other than security futures products by filing an amendment to Form BD and answering "yes" to Items 2A, 2H and 5B and answering "no" to Item 2E. The notice registration of the security futures product broker-dealer will remain effective while its application to become a full broker-dealer is pending. However, the security futures product broker-dealer must continue to limit its business in securities to security futures products until it has satisfied all of the requirements under the Securities Exchange Act of 1934 to become a full broker-dealer. A security futures product broker-dealer's application to become a full broker-dealer constitutes express consent to withdrawal of its notice registration once its registration as a full broker-dealer is complete. In addition, a full broker-dealer is not subject to the exemptions contained in Section 15(b)(11)(B) of the Securities Exchange Act of 1934, even with respect to its business in security futures products.

6. **FEDERAL INFORMATION LAW AND REQUIREMENTS** – An agency may not conduct or sponsor, and a *person* is not required to respond to, a collection of information unless it displays a currently valid control number. Section 15, 15c, 17(a) and 23(a) of the Exchange Act authorize the Commission to collect the Information on this Form from registrants. See 15 U.S.C. §§78o, 78o-5, 78-q and 78w. Filing of this Form is mandatory; however the social security number information, which aids in identifying the *applicant*, is voluntary. The principal purpose of this Form is to permit the Commission to determine whether the *applicant* meets the statutory requirement to engage in the securities business. The Form also is used by *applicants* to register as broker-dealers with certain *self-regulatory organizations* and all of the states. The Commission and the National Association of Securities Dealers, Inc. maintain the files of the information on this Form and will make the information publicly available. Any member of the public may direct to the Commission any comments concerning the accuracy of the burden estimate on application facing page of this Form, and any suggestions for reducing this burden. This collection of information has been reviewed by the Office of Management and Budget in accordance with the clearance requirements of 44 U.S.C. §3507. The information contained in this form is part of a system of records subject to the Privacy Act of 1974, as amended. The Securities and Exchange Commission has published in the Federal Register the Privacy Act Systems of Records Notice for these records.

B. PAPER FILING INSTRUCTIONS (FIRST TIME *APPLICANTS* FILING WITH CRD AND WITH SOME *JURISDICTIONS)*

1. **FORMAT**

   A. A full paper Form BD is required when the *applicant* is filing with the CRD for the first time. In addition, some *jurisdictions* may require a separate paper filing of Form BD. The *applicant* should contact the appropriate *jurisdiction(s) for* specific filing requirements.

B. Attach an Execution Page (Page 1) with original manual signatures to the initial Form BD filing.
C. Type all information.
D. Give the name of the broker-dealer and date on each page.
E. Use only the current version of Form BD and its Schedules or a reproduction of them.

2. **DISCLOSURE REPORTING PAGE (DRP)** – Information concerning the *applicant or control affiliate* that relates to the occurrence of an event reportable under Item 11 must be provided on the *applicant's* appropriate DRP(BD). If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP(BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP(BD) or DRP(U-4). Attach a copy of the fully completed DRP(BD), or DRP(U-4) previously submitted. If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all of the items on the *applicant's* appropriate DRP(BD).

3. **SCHEDULES A, B AND C** – File Schedules A and B only with initial applications for registration. Use Schedule C to update Schedules A and B. Individuals not required to file a Form U-4 (individual registration) with the CRD system who are listed on Schedules A, B, or C must attach page 2 of Form U-4. The *applicant* broker-dealer must be listed in Form U-4 Item 20 or 21. Signatures are not required.

4. **SCHEDULE D** – Schedule D provides additional space for explaining answers to Item 1C(2), and ''yes'' answers to items 5, 7, 8, 9,10,12, and 13 of Form BD.

C. ELECTRONIC FILING INSTRUCTIONS *(APPLICANTS*/ REGISTERED BROKER-DEALERS FILING AMENDMENTS WITH CRD)

1. **FORMAT**

A. Items 1-13 must be answered and all fields requiring a response must be completed before the filing will be accepted.
B. *Applicant* must complete the execution screen certifying that Form BD and amendments thereto have been executed properly and that the information contained therein is accurate and complete.
C. To amend information, *applicant* must update the appropriate Form BD screens.
D. *A* paper copy, with original manual signatures, of the initial Form BD filing and amendments to Disclosure Reporting Pages (DRPs BD) must be retained by the *applicant* and be made available for inspection upon a regulatory request.

2. **DISCLOSURE REPORTING PAGE (DRP)** – Information concerning the *applicant* or *control affiliate* that relates to the occurrence of an event reportable under Item 11 must be provided on the *applicant's* appropriate DRP(BD). If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete the *control affiliate* name and CRD number of the *applicant's* appropriate DRP(BD). Details for the event must be submitted on the *control affiliate's* appropriate DRP(BD) or DRP(U-4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all of the questions and complete all fields requiring a response on the *applicant's* appropriate DRP(BD) screen.

3. **DIRECT AND INDIRECT OWNERS** – Amend the Direct Owners and Executive Officers screen and the Indirect Owners screen when changes in ownership occur. *Control affiliates* that are individuals who are not required to file a Form U-4 (individual registration) with the CRD must complete page 2 of Form U-4 (i.e., submit/file the information elicited by the Personal Data, Residential History, and Employment and Personal History sections of that Form). The *applicant* broker-dealer must be listed in Form U-4 Item 20 or 21.

The CRD mailing address for questions and correspondence is:

NASAA/NASD CENTRAL REGISTRATION DEPOSITORY
P.O. BOX 9495
GAITHERSBURG, MD 20898-9495

EXPLANATION OF TERMS

(The following terms are italicized throughout this form.)

1. **GENERAL**

APPLICANT – The broker-dealer applying on or amending this form.

CONTROL – The power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any *person* that (i) is a director, general partner or officer exercising executive responsibility (or having similar status or functions); (ii) directly or indirectly has the right to vote 25% or more of a class of a voting security or has the power to sell or direct the sale of 25% or more of a class of voting securities; or (iii) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 25% or more of the capital, is presumed to control that company. (This definition is used solely for the purpose of Form BD.)

JURISDICTION – A state, the District of Columbia, the Commonwealth of Puerto Rico, or any subdivision or regulatory body thereof.

PERSON – An individual, partnership, corporation, trust, or other organization.

SELF-REGULATORY ORGANIZATION – Any national securities or commodities exchange or registered securities association, or registered clearing agen**cy.**

2. **FOR THE PURPOSE OF ITEM 5 AND SCHEDULE D**

SUCCESSOR - An unregistered entity that assumes or acquires substantially all of the assets and liabilities, and that continues the business of, a registered predecessor broker-dealer, who ceases its broker-dealer activities. [See Securities Exchange Act Release No. 31661 (December 28, 1992), 58 FR 7 (January 4, 1993)]

3. **FOR THE PURPOSE OF ITEM 11 AND THE CORRESPONDING DISCLOSURE REPORTING PAGES (DRPs)**

CONTROL AFFILIATE – A *person* named in Items 1A, 9 or in Schedules A, B or C as a *control* person or any other individual or organization that directly or indirectly controls, is under common control with, or is controlled by, the *applicant*, including any current employee except one performing only clerical, administrative, support or similar functions, or who, regardless of title, performs no executive duties or has no senior policy making authority.

INVESTMENT OR INVESTMENT-RELATED – Pertaining to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as or being associated with a broker-dealer, municipal securities dealer, government securities broker or dealer, issuer, investment company, investment adviser, futures sponsor, bank, or savings association).

INVOLVED – Doing an act or aiding, abetting, counseling, commanding, inducing, conspiring with or failing reasonably to supervise another in doing an act.

FOREIGN FINANCIAL REGULATORY AUTHORITY – Includes (1) a foreign securities authority; (2) other governmental body or foreign equivalent of a *self-regulatory organization* empowered by a foreign government to administer or enforce its laws relating to the regulation of *investment* or *investment-related* activities*;* and (3) a foreign membership organization, a function of which is to regulate the participation of its members in the activities listed above.

PROCEEDING – Includes a formal administrative or civil action initiated by a governmental agency, *self-regulatory organization* or a *foreign financial regulatory authority*; a *felony* criminal indictment or information (or equivalent formal charge); or a *misdemeanor* criminal information (or equivalent formal charge). Does not include other civil litigation, investigations, or arrests or similar charges effected in the absence of a formal criminal indictment or information (or equivalent formal charge).

CHARGED – Being accused of a crime in a formal complaint, information, or indictment (or equivalent formal charge).

ORDER – A written directive issued pursuant to statutory authority and procedures, including orders of denial, suspension, or revocation; does not include special stipulations, undertakings or agreements relating to payments, limitations on activity or other restrictions unless they are included in an *order*.

FELONY – For *jurisdictions* that do not differentiate between a *felony* and a *misdemeanor*, a *felony* is an offense punishable by a sentence of at least one year imprisonment and/or a fine of at least $1,000. The term also includes a general court martial.

MISDEMEANOR – For *jurisdictions* that do not differentiate between a *felony* and a *misdemeanor,* a *misdemeanor* is an offense punishable by a sentence of less than one year imprisonment and/or a fine of less than $1,000. The term also includes a special court martial.

FOUND – Includes adverse final actions, including consent decrees in which the respondent has neither admitted nor denied the findings, but does not include agreements, deficiency letters, examination reports, memoranda of understanding, letters of caution, admonishments, and similar informal resolutions of matters.

MINOR RULE VIOLATION – A violation of a *self-regulatory organization* rule that has been designated as “minor’’ pursuant to a plan approved by the U.S. Securities and Exchange Commission. A rule violation may be designated as “minor’’ under a plan if the sanction imposed consists of a fine of $2,500 or less, and if the sanctioned person does not contest the fine. (Check with the appropriate *self-regulatory organization* to determine if a particular rule violation has been designated as “minor” for these purposes).

ENJOINED – Includes being subject to a mandatory injunction, prohibitory injunction, preliminary injunction, or a temporary restraining order.

FORM BD

PAGE 1

(Execution Page)
(REV. 7/1999)

UNIFORM APPLICATION FOR BROKER-DEALER REGISTRATION

OFFICIAL USE

OFFICIAL USE ONLY

Date:____________________ SEC File No: 8- __________________ Firm CRD No.: _______________

WARNING: Failure to keep this form current and to file accurate supplementary information on a timely basis, or the failure to keep accurate books and records or otherwise to comply with the provisions of law applying to the conduct of business as a broker-dealer would violate the Federal securities laws and the laws of the *jurisdictions* and may result in disciplinary, administrative, injunctive or criminal action.

INTENTIONAL MISSTATEMENTS OR OMISSIONS OF FACTS MAY CONSTITUTE CRIMINAL VIOLATIONS.

☐ APPLICATION ☐ AMENDMENT

1. Exact name, principal business address, mailing address, if different, and telephone number of *applicant:*

A. Full name of *applicant* (if sole proprietor, state last, first and middle name):

____

B. IRS Empl. Ident. No.:

____

C. (1) Name under which broker-dealer business primarily is conducted, if different from Item 1A.

____

(2) List on Schedule D, Page1, Section I any other name by which the firm conducts business and where it is used.

D. If this filing makes a name change on behalf of the *applicant*, enter the new name and specify whether the name change is of the ☐ *applicant* name (1A) or ☐ business name (1C):

*Please check above.*____

E. Firm main address: (Do not use a P.O. Box)

____
(Number and Street) (City) (State/Country) (Zip+4/Postal Code)

Branch offices or other business locations must be reported on Schedule E.

F. Mailing address, if different:

____

G. Business Telephone Number:

__________ ______________________________
(Area Code) (Telephone Number)

H. Contact Employee:

____ __________ ______________________________
(Name and Title) (Area Code) (Telephone Number)

EXECUTION:

For the purposes of complying with the laws of the State(s) designated in Item 2 relating to either the offer or sale of securities or commodities, the undersigned and *applicant* hereby certify that the *applicant* is in compliance with applicable state surety bonding requirements and irrevocably appoint the administrator of each of those State(s) or such other person designated by law, and the successors in such office, attorney for the *applicant* in said State(s), upon whom may be served any notice, process, or pleading in any action or *proceeding* against the *applicant* arising out of or in connection with the offer or sale of securities or commodities, or out of the violation or alleged violation of the laws of those State(s), and the *applicant* hereby consents that any such action or *proceeding* against the *applicant* may be commenced in any court of competent jurisdiction and proper venue within said State(s) by service of process upon said appointee with the same effect as if *applicant* were a resident in said State(s) and had lawfully been served with process in said State(s).

The *applicant* consents that service of any civil action brought by or notice of any *proceeding* before the Securities and Exchange Commission or any *self-regulatory organization* in connection with the *applicant's* broker-dealer activities, or of any application for a protective decree filed by the Securities Investor Protection Corporation, may be given by registered or certified mail or confirmed telegram to the *applicant's* contact employee at the main address, or mailing address if different, given in Items 1E and IF.

The undersigned, being first duly sworn, deposes and says that he/she has executed this form on behalf of, and with the authority of, said *applicant.* The undersigned and *applicant* represent that the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and *applicant* further represent that to the extent any information previously submitted is not amended such information is currently accurate and complete.

______________________________ ____
Date (MM/DD/YYYY) Name of Applicant

By: ______________________________________ ______________________________________
Signature Print Name and Title

Subscribed and sworn before me this _________ day of _________________________ , _________ by ______________________________
Year Notary Public

My Commision expires ________________________ County of ____________________________ State of ______________________________

This page must always be completed in full with original, manual signature and notarization.
To amend, circle items being amended. Affix notary stamp or seal where applicable.

DO NOT WRITE BELOW THIS LINE - FOR OFFICIAL USE ONLY

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(REV. 7/1999)

Applicant Name:______________________________

Date:__________________ Firm CRD No.: ______________

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2. Indicate by checking the appropriate box(es) each governmental authority, organization, or *jurisdiction* in which the *applicant* is registered or registering as a broker-dealer.

SECURITIES AND EXCHANGE COMMISSION

If *applicant* is registered or registering with the SEC, check here and answer Items 2A through 2H below. ☐

		YES	NO
A.	Is *applicant* registered or registering as a broker-dealer under Section 15(b) or Section 15B of the Securities Exchange Act of 1934?	☐	☐
B.	Is *applicant* registered or registering as a broker-dealer under Section 15(b) of the Securities Exchange Act of 1934 and also acting or intending to act as a government securities broker or dealer?	☐	☐
C.	Is *applicant* registered or registering solely as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934?	☐	☐
	Do not answer "yes" to Item 2C if applicant answered "yes" to Item 2A or Item 2B.		
D.	Is *applicant* ceasing its activities as a government securities broker or dealer?	☐	☐
	If applicant answers "yes" to Items 2A and 2D, applicant expressly consents to the withdrawal of its registration as a government securities broker or dealer under Section 15C of the Securities Exchange Act of 1934. See "Instructions."		
E.	Is *applicant* registered or registering by notice pursuant to Section 15(b)(11)(A) of the Securities Exchange Act of 1934 in order to conduct business in security futures products?	☐	☐
F.	If *"Yes"* to Item 2E, is *applicant* registered with the Commodity Futures Trading Commission as a futures commission merchant or an introducing broker?	☐	☐
G.	If *"Yes"* to Item 2E, is *applicant* a member of the National Futures Association or another national securities association registered under Section 15A(k) of the Securities Exchange Act of 1934?	☐	☐
H.	If *"Yes" to* Item 2E, does *applicant* conduct or will *applicant* conduct business in securities that requires *applicant* to register under Section 15(b)(1), Section 15B, or Section 15C of the Securities Exchange Act of 1934?	☐	☐

SRO

☐ AMEX ☐ BSE ☐ CBOE ☐ CHX ☐ CSE ☐ ISE ☐ NASD ☐ NYSE ☐ PHLX ☐ PCX ☐ OTHER *(specify)* ____________________

JURISDICTION

☐ Alabama
☐ Alaska
☐ Arizona
☐ Arkansas
☐ California
☐ Colorado
☐ Connecticut
☐ Delaware
☐ District of Columbia
☐ Florida
☐ Georgia
☐ Hawaii
☐ Idaho
☐ Illinois
☐ Indiana
☐ Iowa
☐ Kansas
☐ Kentucky
☐ Louisiana
☐ Maine
☐ Maryland
☐ Massachusetts
☐ Michigan
☐ Minnesota
☐ Mississippi
☐ Missouri
☐ Montana
☐ Nebraska
☐ Nevada
☐ New Hampshire
☐ New Jersey
☐ New Mexico
☐ New York
☐ North Carolina
☐ North Dakota
☐ Ohio
☐ Oklahoma
☐ Oregon
☐ Pennsylvania
☐ Puerto Rico
☐ Rhode Island
☐ South Carolina
☐ South Dakota
☐ Tennessee
☐ Texas
☐ Utah
☐ Vermont
☐ Virginia
☐ Washington
☐ West Virginia
☐ Wisconsin
☐ Wyoming

3. A. Indicate legal status of *applicant.*

☐ Corporation ☐ Sole Proprietorship ☐ Other *(specify)* ____________________________

☐ Partnership ☐ Limited Liability Company

B. Month *applicant's* fiscal year ends: ____________

C. If other than a sole proprietor, indicate date and place *applicant* obtained its legal status (i.e., state or country where incorporated, where partnership agreement was filed, or where *applicant* entity was formed):

State/Country of formation: ______________________________ Date of formation: ______________________
(MM/DD/YYYY)

Schedule A and, if applicable, Schedule B must be completed as part of all initial applications. Amendments to these schedules must be provided on Schedule C.

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(REV. 7/1999)

Applicant Name:____

Date:___________________ Firm CRD No.: ______________

OFFICIAL USE OFFICIAL USE ONLY

4. If *applicant* is a sole proprietor, state full residence address and Social Security Number.

Social Security Number: __ __ __ – __ __ __ – __ __ __ __

____

(Number and Street) (City) (State/Country) (Zip+4/Postal Code)

YES NO

5. A. Is *applicant* at the time of this filing *succeeding* to the business of a currently registered broker-dealer? *Do not report previous successions already reported on Form BD*. ☐ ☐
If "Yes," contact CRD prior to submitting form; complete appropriate items on Schedule D, Page 1, Section III.

B. Is *applicant* at the time of this filing applying to convert its registration from notice registration pursuant to Section 15(b)(11)(A) of the Securities Exchange Act of 1934 to full registration under Section 15(b)(1) of the Securities Exchange Act of 1934 in order to conduct business in securities other than security futures products? ☐ ☐

6. Does *applicant* hold or maintain any funds or securities or provide clearing services for any other broker or dealer? ☐ ☐

7. Does *applicant* refer or introduce customers to any other broker or dealer? ☐ ☐
If "Yes,"complete appropriate items on Schedule D, Page 1, Section IV.

8. Does *applicant* have any arrangement with any other *person*, firm, or organization under which:

A. any books or records of *applicant* are kept or maintained by such other *person*, firm or organization? ☐ ☐

B. accounts, funds, or securities of the *applicant* are held or maintained by such other *person*, firm, or organization? ☐ ☐

C. accounts, funds, or securities of customers of the *applicant* are held or maintained by such other *person*, firm or organization? ☐ ☐

For purposes of 8B and 8C, do not include a bank or satisfactory control location as defined in paragraph (c) of Rule 15c3-3 under the Securities Exchange Act of 1934 (17 CFR 240.15c3-3).

if "Yes" to any part of Item 8, complete appropriate items on Schedule D, Page 1, Section IV.

9. Does any *person* not named in Item 1 or Schedules A, B, or C, directly or indirectly:

A. *control* the management or policies of the *applicant* through agreement or otherwise? ☐ ☐

B. wholly or partially finance the business of applicant? ☐ ☐

Do not answer "Yes" to 9B if the person finances the business of the applicant through: 1) a public offering of securities made pursuant to the Securities Act of 1933; 2) credit extended in the ordinary course of business by suppliers, banks, and others; or 3) a satisfactory subordination agreement, as defined in Rule 15c3-1 under the Securities Exchange Act of 1934 (17 CFR 240.15c3-1).

If "Yes'' to any part of Item 9, complete appropriate items on Schedule D, Page 1, Section IV.

10. A. Directly or indirectly, does *applicant control*, is *applicant controlled* by, or is *applicant* under common *control* with, any partnership, corporation, or other organization that is engaged in the securities or investment advisory business? ☐ ☐

If "Yes" to Item 10A, complete appropriate items on Schedule D, Page 2, Section V.

B. Directly or indirectly, is *applicant controlled* by any bank holding company, national bank, state member bank of the Federal Reserve System, state non-member bank, savings bank or association, credit union, or foreign bank? ☐ ☐

If "Yes" to Item 10B, complete appropriate items on Schedule D, Page 3, Section VI.

11. Use the appropriate DRP for providing details to "yes" answers to the questions in Item 11. Refer to the Explanation of Terms section of Form BD Instructions for explanations of italicized terms.

CRIMINAL DISCLOSURE

A. In the past ten years has the *applicant* or a *control affiliate*:

(1) been convicted of or pled guilty or nolo contendere ("no contest'') in a domestic, foreign or military court to any *felony*? ☐ ☐

(2) been *charged* with any *felony*? ☐ ☐

B. In the past ten years has the *applicant* or a *control affiliate*:

(1) been convicted of or pled guilty or nolo contendere ("no contest'') in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? ☐ ☐

(2) been *charged* with a *misdemeanor* specified in 11B(1)? ☐ ☐

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(REV. 7/1999)

Applicant Name:____

Date:____________________ Firm CRD No.: _______________

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REGULATORY ACTION DISCLOSURE

C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever: **YES NO**

(1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission? ☐ ☐

(2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its regulations or statutes? ☐ ☐

(3) *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☐

(4) entered an *order* against the *applicant* or a *control affiliate* in connection with *investment-related* activity? ☐ ☐

(5) imposed a civil money penalty on the *applicant* or a *control affiliate*, or *ordered* the *applicant* or a *control affiliate* to cease and desist from any activity? ☐ ☐

REGULATORY ACTION DISCLOSURE

D. Has any other federal regulatory agency, any state regulatory agency, or *foreign financial regulatory authority*:

(1) ever *found* the *applicant or a control affiliate* to have made a false statement or omission or been dishonest, unfair, or unethical? ☐ ☐

(2) ever *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes? ☐ ☐

(3) ever *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☐

(4) in the past ten years, entered an *order* against the *applicant* or a *control affiliate* in connection with an *investment-related* activity? ☐ ☐

(5) ever denied, suspended, or revoked the *applicant's* or a *control affiliate's* registration or license or otherwise, by *order*, prevented it from associating with an *investment-related* business or restricted its activities? ☐ ☐

E. Has any *self-regulatory organization or* commodities exchange ever:

(1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission? ☐ ☐

(2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a *"minor rule violation"* under a plan approved by the U.S. Securities and Exchange Commission)? ☐ ☐

(3) *found* the *applicant* or a *control affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☐

(4) disciplined the *applicant* or a *control affiliate* by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities? ☐ ☐

F. Has the *applicant's* or a *control affiliate's* authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended? ☐ ☐

G. Is the *applicant* or a *control affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of 11C, D, or E? ☐ ☐

CIVIL JUDICIAL DISCLOSURE

H. (1) Has any domestic or foreign court:

(a) in the past ten years, *enjoined* the *applicant* or a *control affiliate* in connection with any *investment-related* activity? ☐ ☐

(b) ever *found* that the *applicant* or a *control affiliate* was *involved* in a violation of *investment-related* statutes or regulations? ☐ ☐

(c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against the *applicant* or *control affiliate* by a state or *foreign financial regulatory authority*? ☐ ☐

(2) Is the *applicant* or a *control affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of 11H(1)? ☐ ☐

FINANCIAL DISCLOSURE

I. In the past ten years has the *applicant* or a *control affiliate* of the *applicant* ever been a securities firm or a *control affiliate* of a securities firm that:

(1) has been the subject of a bankruptcy petition? ☐ ☐

(2) has had a trustee appointed or a direct payment procedure initiated under the Securities Investor Protection Act? ☐ ☐

J. Has a bonding company ever denied, paid out on, or revoked a bond for the *applicant*? ☐ ☐

K. Does the *applicant* have any unsatisfied judgments or liens against it? ☐ ☐

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PAGE 5
(REV. 7/1999)

Applicant Name:____
Date:____________________ Firm CRD No.: _______________

OFFICIAL USE

OFFICIAL USE ONLY

12. Check types of business engaged in (or to be engaged in, if not yet active) by *applicant.* Do not check any category that accounts for (or is expected to account for) less than 1% of annual revenue from the securities or investment advisory business.

A.	Exchange member engaged in exchange commission business other than floor activities	☐ EMC
B.	Exchange member engaged in floor activities	☐ EMF
C.	Broker or dealer making inter-dealer markets in corporate securities over-the-counter	☐ IDM
D.	Broker or dealer retailing corporate equity securities over-the-counter	☐ BDR
E.	Broker or dealer selling corporate debt securities	☐ BDD
F.	Underwriter or selling group participant (corporate securities other than mutual funds)	☐ USG
G.	Mutual fund underwriter or sponsor	☐ MFU
H.	Mutual fund retailer	☐ MFR
I.	1. U.S. government securities dealer	☐ GSD
	2. U.S. government securities broker	☐ GSB
J.	Municipal securities dealer	☐ MSD
K.	Municipal securities broker.	☐ MSB
L .	Broker or dealer selling variable life insurance or annuities	☐ VLA
M.	Solicitor of time deposits in a financial institution	☐ SSL
N.	Real estate syndicator. .	☐ RES
O.	Broker or dealer selling oil and gas interests	☐ OGI
P.	Put and call broker or dealer or option writer	☐ PCB
Q.	Broker or dealer selling securities of only one issuer or associate issuers (other than mutual funds)	☐ BIA
R.	Broker or dealer selling securities of non-profit organizations (e.g., churches, hospitals)	☐ NPB
S.	Investment advisory services	☐ IAD
T.	1. Broker or dealer selling tax shelters or limited partnerships in primary distributions	☐ TAP
	2. Broker or dealer selling tax shelters or limited partnerships in the secondary market	☐ TAS
U.	Non-exchange member arranging for transactions in listed securities by exchange member	☐ NEX
V.	Trading securities for own account	☐ TRA
W.	Private placements of securities	☐ PLA
X.	Broker or dealer selling interests in mortgages or other receivables	☐ MRI
Y.	Broker or dealer involved in a networking, kiosk or similar arrangement with a:	
	1. bank, savings bank or association, or credit union	☐ BNA
	2. insurance company or agency	☐ INA
Z.	Broker or dealer effecting transactions in security futures products	☐ SFP
AA.	Other *(give details on Schedule D, Page 1, Section II)*	☐ OTH

		YES	NO
13. A.	Does *applicant* effect transactions in commodity futures (other than security futures products), commodities or commodity options as a broker for others or as a dealer for its own account?	☐	☐
B.	Does *applicant* engage in any other non-securities business? *If "yes," describe each other business briefly on Schedule D, Page 1, Section II.*	☐	☐

Schedule A of FORM BD

DIRECT OWNERS AND EXECUTIVE OFFICERS

(Answer for Form BD Item 3)
(REV. 7/1999)

Applicant Name:____

Date:____________________ Firm CRD No.: _______________

OFFICIAL USE

1. Use Schedule A only in new applications to provide information on the **direct o**wners and executive officers of the *applicant.* Use Schedule B in new applications to provide information on **indirect** owners. File all amendments on Schedule C. **Complete each column.**

2. List below the names of:

   (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer, Director, and individuals with similar status or functions;

   (b) in the case of an *applicant* that is a corporation, each shareholder that directly owns 5% or more of a class of a voting security of the *applicant*, unless the *applicant* is a public reporting company (a company subject to Sections 12 or 15(d) of the Securities Exchange Act of 1934);
   Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of a voting security of the *applicant.* For purposes of this Schedule, a *person* beneficially owns any securities (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant or right to purchase the security.

   (c) in the case of an *applicant* that is a partnership, **all** general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of the partnership's capital; and

   (d) in the case of a trust that directly owns 5% or more of a class of a voting security of the *applicant*, or that has the right to receive upon dissolution, or has contributed, 5% or more of the *applicant's* capital, the trust and each trustee.

   (e) in the case of an *applicant* that is a Limited Liability Company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

3. Are there any indirect owners of the *applicant* required to be reported on Schedule B? ☐ Yes ☐ No

4. In the "DE/FE/I" column, enter "DE" if the owner is a domestic entity, or enter "FE" if owner is an entity incorporated or domiciled in a foreign country, or enter "I" if the owner is an individual.

5. Complete the "Title or Status" column by entering board/management titles; status as partner, trustee, sole proprietor, or shareholder; and for shareholders, the class of securities owned (if more than one is issued).

6. Ownership codes are:

NA - less than 5%	B - 10% but less than 25%	D - 50% but less than 75%
A - 5% but less than 10%	C - 25% but less than 50%	E - 75% or more

7. (a) In the "*Control Person"* column, enter "Yes" if *person* has *"control"* as defined in the instructions to this form, and enter "No" if the *person* does not have *control*. Note that under this definition most executive officers and all 25% owners, general partners, and trustees would be "control persons".

   (b) In the "PR" column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired		Ownership Code	Control Person		CRD No. If None: S.S. No., IRS Tax No. or Employer ID.	Official Use Only
			MM	YYYY			PR		

Schedule B of FORM BD

INDIRECT OWNERS

(Answer for Form BD Item 3)
(REV. 7/1999)

Applicant Name:____

Date:___________________ Firm CRD No.: _______________

OFFICIAL USE

1. Use Schedule B only in new applications to provide information on the **indirect** owners of the *applicant.* Use Schedule A in new applications to provide information on **direct** owners. File all amendments on Schedule C. **Complete each column.**

2. With respect to each owner listed on Schedule A, (except individual owners), list below:

   (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

   For purposes of this Schedule, a *person* beneficially owns any securities (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the *right to acquire*, within 60 days, through the exercise of any option, warrant or right to purchase the security.

   (b) in the case of an owner that is a partnership, **all** general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital; and

   (c) in the case of an owner that is a trust, the trust and each trustee.

   (d) in the case of an owner that is a Limited Liability Company ("LCC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Securities Exchange Act of 1934) is reached, no ownership information further up the chain of ownership need be given.

4. In the "DE/FE/I" column, enter "DE" if the owner is a domestic entity, or enter "FE" if owner is an entity incorporated or domiciled in a foreign country, or enter "I" if the owner is an individual.

5. Complete the "Status" column by entering status as partner, trustee, shareholder, etc., and if shareholder, class of securities owned (if more than one is issued).

6. Ownership codes are: C - 25% but less than 50% D - 50% but less than 75% E - 75% or more F - Other General Partners

7. (a) In the *"Control Person"* column, enter "Yes" if *person* has *"control"* as defined in the instructions to this form, and enter "No" if the *person* does not have *control*. Note that under this definition most executive officers and all 25% owners, general partners, and trustees would be *"control persons"*.

   (b) In the "PR" column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired		Ownership Code	*Control Person*		CRD No. If None: S.S. No., IRS Tax No. or Employer ID.	Official Use Only
				MM	YYYY			PR		

Schedule C of FORM BD

AMENDMENTS TO SCHEDULES A & B

(Amendments to answers for Form BD Item 3)
(REV. 7/1999)

Applicant Name:____

Date:____________________ Firm CRD No.: _______________

OFFICIAL USE

1. This Schedule C is used to amend Schedules A and B of Form BD. Refer to those schedules for specific instructions for completing this Schedule C. **Complete each column.** File with a completed Execution Page (Page 1).

2. In the Type of Amendment ("Type of Amd.") column, indicate "A" (addition), "D" (deletion), or"C" (change in information about the same *person*).

3. Ownership codes are:

NA - less than 5%
A - 5% but less than 10%
B - 10% but less than 25%
C - 25% but less than 50%
D - 50% but less than 75%
E - 75% or more
F - Other General Partners

4. **List below all changes to Schedule A: (DIRECT OWNERS AND EXECUTIVE OFFICERS)**

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Type of Amd.	Title or Status	Date Title or Status Acquired		Ownership Code	*Control Person*		CRD No. If None: S. S. No., IRS Tax No. or Employer ID.	Official Use Only
				MM	YYYY			PR		

5. **List below all changes to Schedule B: (INDIRECT OWNERS)**

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Type of Amd.	Entity in Which Interest is Owned	Status	Date Status Acquired		Ownership Code	*Control Person*		CRD No. If None: S.S. No., IRS Tax No. or Employer ID.	Official Use Only
					MM	YYYY			PR		

Schedule D of FORM BD

Page 1

(REV. 7/1999)

Applicant Name:____

Date:____________________ Firm CRD No.: _______________

OFFICIAL USE

OFFICIAL USE ONLY

Use this Schedule D Page 1 to report details for items listed below. Report only new information or changes/updates to previously submitted details. Do not repeat previously submitted information.

This is an ☐ INITIAL ☐ AMENDED detail filing for the Form BD items checked below:

SECTION I *Other Business Names*

(Check if applicable) ☐ Item 1C(2)

List each of the "other'' names and the *jurisdiction(s)* in which they are used.

1. Name	*Jurisdiction*	2. Name	*Jurisdiction*
3. Name	*Jurisdiction*	4. Name	*Jurisdiction*

SECTION II *Other Business*

(Check one) ☐ Item 12Z ☐ Item 13B

Applicant must complete a separate Schedule D Page 1 for each affirmative response in this section.

Briefly describe any other business (ITEM 12Z); or any other non-securities business (ITEM 13B). Use reverse side of this sheet for additional comments if necessary.

SECTION III *Successions*

(Check if applicable) ☐ Item 5

Date of Succession MM DD YYYY / /	*Name of Predecessor*	
Firm CRD Number	IRS Employer Identification Number (if any)	SEC File Number (if any)

Briefly describe details of the *succession* including any assets or liabilities not assumed by the *successor*. Use reverse side of this sheet for additional comments if necessary.

SECTION IV *Introducing and Clearing Arrangements / Control Persons / Financings*

(Check one) ☐ Item 7 ☐ Item 8A ☐ Item 8B ☐ Item 8C ☐ Item 9A ☐ Item 9B

Applicant must complete a separate Schedule D Page 1 for each affirmative response in this section including any multiple responses to any item. Complete the "Effective Date'' box with the Month, Day and Year that the arrangement or agreement became effective. When reporting a change or termination of an arrangement or agreement, enter the effective date of the change.

Firm or Organization Name	CRD Number (if any)	
Business Address *(Street, City, State/Country, Zip+4 Postal Code)*	Effective Date MM DD Y YYY / /	Termination Date MM DD Y YYY / /
Individual Name (if applicable) *(Last, First, Middle)*	CRD Number (if any)	
Business Address (if applicable) *(Street, City, State/Country, Zip+4 Postal Code)*	Effective Date MM DD Y YYY / /	Termination Date MM DD Y YYY / /

Briefly describe the nature of reference or arrangement (ITEM 7 or ITEM 8); the nature of the *control* or agreement (ITEM 9A); or the method and amount of financing (ITEM 9B). Use reverse side of this sheet for additional comments if necessary.

Schedule D of FORM BD

Page 2

(REV. 7/1999)

Applicant Name:____

Date:___________________ Firm CRD No.: ______________

OFFICIAL USE

OFFICIAL USE ONLY

Use this Schedule D Page 2 to report details for Item 10A. Report only new information or changes/updates to previously submitted details. Do not repeat previously submitted information. Supply details for all partnerships, corporations, organizations, institutions and individuals necessary to answer each item completely. Use additional copies of Schedule D Page 2 if necessary.

Use the "Effective Date" box to enter the Month, Day, and Year that the affiliation was effective or the date of the most recent change in the affiliation.

This is an ☐ INITIAL ☐ AMENDED detail filing for Form BD Item 10A

☐ 10A. Directly or indirectly, does *applicant* control, is *applicant controlled* by, or is *applicant* under common *control* with, any partnership, corporation, or other organization that is engaged in the securities or investment advisory business?

SECTION V *Complete this section for control issues relating to ITEM 10A only.*

The details supplied relate to:

1

Partnership, Corporation, or Organization Name

CRD Number (if any)

(check only one)

This Partnership, Corporation, or Organization ☐ *controls applicant* ☐ is *controlled* by *applicant* ☐ is under common *control* with *applicant*

Business Address *(Street, City, State/Country, Zip+4/Postal Code)*

Effective Date MM DD Y YYY / /

Termination Date MM DD Y YYY / /

Is Partnership, Corporation or Organization a foreign entity? ☐ Yes ☐ No

If Yes, provide country of domicile or incorporation:

Check "Yes" or "No" for activities of this partnership, corporation, or organization: ▶ Securities Activities: ☐ Yes ☐ No Investment Advisory Activities: ☐ Yes ☐ No

Briefly describe the *control* relationship. Use reverse side of this sheet for additional comments if necessary.

2

Partnership, Corporation, or Organization Name

CRD Number (if any)

(check only one)

This Partnership, Corporation, or Organization ☐ *controls applicant* ☐ is *controlled* by *applicant* ☐ is under common *control* with *applicant*

Business Address (*Street, City, State/Country, Zip+4/Postal Code)*

Effective Date MM DD Y YYY / /

Termination Date MM DD Y YYY / /

Is Partnership, Corporation or Organization a foreign entity? ☐ Yes ☐ No

If Yes, provide country of domicile or incorporation:

Check "Yes" or "No" for activities of this partnership, corporation, or organization: ▶ Securities Activities: ☐ Yes ☐ No Investment Advisory Activities: ☐ Yes ☐ No

Briefly describe the *control* relationship. Use reverse side of this sheet for additional comments if necessary.

3

Partnership, Corporation, or Organization Name

CRD Number (if any)

(check only one)

This Partnership, Corporation, or Organization ☐ *controls applicant* ☐ is *controlled* by *applicant* ☐ is under common *control* with *applicant*

Business Address *(Street, City, State/Country, Zip+4/Postal Code)*

Effective Date MM DD Y YYY / /

Termination Date MM DD Y YYY / /

Is Partnership, Corporation or Organization a foreign entity? ☐ Yes ☐ No

If Yes, provide country of domicile or incorporation:

Check "Yes" or "No" for activities of this partnership, corporation, or organization: ▶ Securities Activities: ☐ Yes ☐ No Investment Advisory Activities: ☐ Yes ☐ No

Briefly describe the *control relationship*. Use reverse side of this sheet for additional comments if necessary.

If *applicant* has more than 3 organizations to report, complete additional Schedule D Page 2s.

Schedule D of FORM BD

Page 3

(REV. 7/1999)

Applicant Name:____

Date:____________________ Firm CRD No.: _______________

OFFICIAL USE

OFFICIAL USE ONLY

Use this Schedule D Page 3 to report details for Item 10B. Report only new information or changes/updates to previously submitted details. Do not repeat previously submitted information. Supply details for all partnerships, corporations, organizations, institutions and individuals necessary to answer each item completely. Use additional copies of Schedule D Page 3 if necessary.

Use the "Effective Date" box to enter the Month, Day, and Year that the affiliation was effective or the date of the most recent change in the affiliation.

This is an ☐ INITIAL ☐ AMENDED detail filing for Form BD Item 10B

☐ 10B. Directly or indirectly, is *applicant controlled* by any bank holding company, national bank, state member bank of the Federal Reserve System, state non-member bank, savings bank or association, credit union, or foreign bank?

SECTION VI *Complete this section for control issues relating to ITEM 10B only.*

Provide the details for each organization or institution that *controls* the *applicant*, including each organization or institution in the *applicant's* chain of ownership. The details supplied relate to:

1

Financial Institution Name

CRD Number (if applicable)

Institution Type *(i.e., bank holding company, national bank, state member bank of the Federal Reserve System, state non-member bank, savings association, credit union, or foreign bank)*

Effective Date MM DD YYYY / /

Termination Date MM DD YYYY / /

Business Address *(Street, City, State/Country, Zip+4/Postal Code)*

If foreign, country of domicile or incorporation

Briefly describe the *control* relationship. Use reverse side of this sheet for additional comments if necessary.

2

Financial Institution Name

CRD Number (if applicable)

Institution Type *(i.e., bank holding company, national bank, state member bank of the Federal Reserve System, state non-member bank, savings association, credit union, or foreign bank)*

Effective Date MM DD YYYY / /

Termination Date MM DD YYYY / /

Business Address *(Street, City, State/Country, Zip+4/Postal Code)*

If foreign, country of domicile or incorporation

Briefly describe the *control* relationship. Use reverse side of this sheet for additional comments if necessary.

3

Financial Institution Name

CRD Number (if applicable)

Institution Type *(i.e., bank holding company, national bank, state member bank of the Federal Reserve System, state non-member bank, savings association, credit union, or foreign bank)*

Effective Date MM DD YYYY / /

Termination Date MM DD YYYY / /

Business Address *(Street, City, State/Country, Zip+4/Postal Code)*

If foreign, country of domicile or incorporation

Briefly describe the *control* relationship. Use reverse side of this sheet for additional comments if necessary.

4

Financial Institution Name

CRD Number (if applicable)

Institution Type *(i.e., bank holding company, national bank, state member bank of the Federal Reserve System, state non-member bank, savings association, credit union, or foreign bank)*

Effective Date MM DD YYYY / /

Termination Date MM DD YYYY / /

Business Address *(Street, City, State/Country, Zip+4/Postal Code)*

If foreign, country of domicile or incorporation

Briefly describe the *control* relationship. Use reverse side of this sheet for additional comments if necessary.

If *applicant* has more than 4 organizations/institutions to report, complete additional Schedule D page 3s.

Schedule E of FORM BD

(REV. 7/1999)

Applicant Name:______________________________

Date:______________ Firm CRD No.: ____________

OFFICIAL USE

INSTRUCTIONS

General: Use this schedule to register or report branch offices or other business locations of the *applicant.* Repeat Items 1-12 for each branch office or other business location. Each item must be completed unless otherwise noted. Use additional copies of this schedule as necessary. If this branch office or other business location is using a name in connection with securities activities other than the *applicant's* name, such name must be reported under Item 1C(2) on Page 1 of this Form.

Specific:

Item 1. Specify only one box. Check "Add" when a branch office or other business location is opened and the *applicant* is filing the initial notice, "Delete'' when a branch office or other business location is closed, and "Amendment" to indicate any other change to previously filed information.

Item 2. CRD will assign this branch number when the *applicant* adds a branch office or other business location as discussed in Item 1 above. If known, complete this item for all deletions and amendments.

Item 3. The Billing Code is an alpha/numeric value consisting of up to eight characters. It is the responsibility of the firm to establish and maintain its own unique billing codes. This is not a required field.

Item 4. Complete this item for all entries. A physical location must be included; post office box designations alone are not sufficient.

Item 5. Complete this item only when the *applicant* changes the address of an existing branch office or other business location.

Item 6. If the branch office or other business location occupies or shares space on premises within a bank, savings bank or association, credit union, or other financial institution, enter the name of the institution in the space provided.

Item 7. Complete this item for all entries. Enter the name of the supervisor or registered representative in charge who is physically at this location.

Item 8. Provide the CRD number for the branch office supervisor named in Item 7.

Item 9. Complete this item for all entries. Provide the date that the branch office or other business location was opened (ADD), closed (DELETE), or the effective date of the change (AMENDMENT).

Item 10. Check "Yes" or "No" to denote whether the location will be an Office of Supervisory Jurisdiction (OSJ) as defined in NASD Rule 3010.

Item 11. Check "Yes" or "No" to denote whether the location is a business location that will operate pursuant to a written agreement or contract (other than an insurance agency agreement) with the main office and any one or more of the following will apply: the location (A) assumes liability for its own expenses or has its expenses paid by a party other than the *applicant;* (B) has primary responsibility for decisions relating to the employment and remuneration of its registered representatives; (C) deems 5% or more of its total registered representatives to be "independent contractors" for tax purposes; or (D) engages in separate market making and/or underwriting activities.

Item 12. Check the appropriate box(es) if the branch or other business location is registering with the NASD or registering or reporting with a *jurisdiction.*

---

1. *Check only one box:* ☐ Add ☐ Delete ☐ Amendment

2. CRD Branch Number ______________________________

3. Billing Code ______________________________

4. ______________________________
Street

____
P.0. Box (if applicable), Suite, Floor

____
City, State/Country, Zip Code + 4/Postal Code

If applicant is changing the address, enter the new address in Item 5.

5. ______________________________
Street

____
P.0. Box (if applicable), Suite, Floor

____
City, State/Country, Zip Code + 4/Postal Code

6. ______________________________
Institution Name (if applicable)

7. ______________________________
Supervisor Name

8. ______________________________
CRD Number of Supervisor

9. ______________________________
Effective Date (MM/DD/YYYY)

10. OSJ ☐ Yes ☐ No

11. ☐ Yes ☐ No

If Yes, indicate each Item 11 subset that applies:

☐ A ☐ B ☐ C ☐ D

12. ☐ NASD ☐ *Jurisdiction*

---

1. *Check only one box:* ☐ Add ☐ Delete ☐ Amendment

2. CRD Branch Number ______________________________

3. Billing Code ______________________________

4. ______________________________
Street

____
P.0. Box (if applicable), Suite, Floor

____
City, State/Country, Zip Code + 4/Postal Code

If applicant is changing the address, enter the new address in Item 5.

5. ______________________________
Street

____
P.0. Box (if applicable), Suite, Floor

____
City, State/Country, Zip Code + 4/Postal Code

6. ______________________________
Institution Name (if applicable)

7. ______________________________
Supervisor Name

8. ______________________________
CRD Number of Supervisor

9. ______________________________
Effective Date (MM/DD/YYYY)

10. OSJ ☐ Yes ☐ No

11. ☐ Yes ☐ No

If Yes, indicate each Item 11 subset that applies:

☐ A ☐ B ☐ C ☐ D

12. ☐ NASD ☐ *Jurisdiction*

CRIMINAL DISCLOSURE REPORTING PAGE (BD)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL ***OR*** ☐ AMENDED response used to report details for affirmative responses to ***Items 11A and 11B*** of Form BD*;*

Check ☑ item(s) being responded to:

11A In the past ten years has the *applicant* or a *control affiliate*:
- ☐ (1) been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any *felony*?
- ☐ (2) been *charged* with any *felony*?

11B In the past ten years has the *applicant* or a *control affiliate*:
- ☐ (1) been convicted or pled guilty or nolo contendere (“no contest”) in a domestic, foreign or military court to a *misdemeanor involving:* investments or an *investment-related* business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?
- ☐ (2) been *charged* with a *misdemeanor* specified in 11B(1)?

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

Multiple counts of the same charge arising out of the same event(s) should be reported on the same DRP. Unrelated criminal actions, including separate cases arising out of the same event, must be reported on separate DRPs. Use this DRP to report all charges arising out of the same event. One event may result in more than one affirmative answer to the above items.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U-4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropiate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

Applicable court documents (i.e., criminal complaint, information or indictment as well as judgment of conviction or sentencing documents) must be provided to the CRD if not previously submitted. Documents will not be accepted as disclosure in lieu of answering the questions on this DRP.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ The *Applicant*
☐ *Applicant* and one or more *control affifiate(s)*
☐ One or more *control affiliate(s)*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name).

If the *control affiliate* is registered with the CRD, provide the CRD number. If not, Indicate “non-registered'' by checking the appropriate checkbox.

NAME OF APPLICANT	*APPLICANT CRD NUMBER*

BD DRP - *CONTROL AFFILIATE*

CRD NUMBER

This *Control Affiliate* is ☐ Firm ☐ Individual

Registered: ☐ Yes ☐ No

NAME (For individuals, Last, First, Middle)

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U-4) or BD DRP to the CRD System for the event? If the answer is “Yes,'' no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this Form does not relieve the *control affiliate* of its obligation to update its CRD records.

(continued)

CRIMINAL DISCLOSURE REPORTING PAGE (BD)

(continuation)

PART II

1. If charge(s) were brought against an organization over which the *applicant* or *control affiliate* exercise(d) *control*: Enter organization name, whether or not the organization was an *investment-related* business and the *applicant's* or *control affiliate's* position, title or relationship.

____

2. Formal Charge(s) were brought in: (include name of Federal, Military, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case number).

____

3. **Event Disclosure Detail** (Use this for both organizational and individual charges.)

A. Date First Charged (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

B. Event Disclosure Detail (include Charge(s)/Charge Description(s), and for each charge provide: 1. number of counts, 2. *felony* or *misdemeanor*, 3. plea for each charge, and 4. product type if charge is *investment-related*):

____

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____

C. Did any of the Charge(s) within the Event involve a *Felony*? ☐ Yes ☐ No

D. Current status of the Event? ☐ Pending ☐ On Appeal ☐ Final

E. Event Status Date (complete unless status is Pending) (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

4. **Disposition Disclosure Detail:** Include for each charge, A. Disposition Type [e.g., convicted, acquitted, dismissed, pretrial, etc.], B. Date, C. Sentence/Penalty, D. Duration [if sentence-suspension, probation, etc.], E. Start Date of Penalty, F. Penalty/Fine Amount and G. Date Paid.

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5. Provide a brief summary of circumstances leading to the charge(s) as well as the disposition. Include the relevant dates when the conduct which was the subject of the charge(s) occurred. (The information must fit within the space provided.)

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REGULATORY ACTION DISCLOSURE REPORTING PAGE (BD)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL ***OR*** ☐ AMENDED response used to report details for affirmative responses to ***Items 11C, 11D, 11E, 11F or 11G*** of Form BD;

Check ☑ item(s) being responded to:

11C. Has the U.S. Securities and Exchange Commission or the Commodity Futures Trading Commission ever:
- ☐ (1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission?
- ☐ (2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its regulations or statutes?
- ☐ (3) *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- ☐ (4) entered an *order* against the *applicant* or a *control affiliate* in connection with *investment-related* activity?
- ☐ (5) imposed a civil money penalty on the *applicant* or a *control affiliate*, or ordered the *applicant* or a *control affiliate* to cease and desist from any activity?

11D. Has any other federal regulatory agency, any state regulatory agency, or *foreign financial regulatory authority:*
- ☐ (1) ever *found* the *applicant* or a *control affiliate* to have made a false statement or omission or been dishonest, unfair, or unethical?
- ☐ (2) ever *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes?
- ☐ (3) ever *found* the *applicant* or a *control affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- ☐ (4) in the past ten years, entered an *order* against the *applicant* or a *control affiliate* in connection with an *investment-related* activity?
- ☐ (5) ever denied, suspended, or revoked the *applicant's* or a *control affiliate's* registration or license or otherwise, by *order*, prevented it from associating with an *investment-related* business or restricted its activities?

11E. Has any *self-regulatory organization* or commodities exchange ever:
- ☐ (1) *found* the *applicant* or a *control affiliate* to have made a false statement or omission?
- ☐ (2) *found* the *applicant* or a *control affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a *"minor rule violation"* under a plan approved by the U.S. Securities and Exchange Commission)?
- ☐ (3) *found* the *applicant* or a *control affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?
- ☐ (4) disciplined the *applicant* or a *control affiliate* by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities?

11F. ☐ Has the *applicant's* or a *control affiliate's* authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended?

11G. ☐ Is the *applicant* or a *control affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of 11C, D, or E?

Use a separate DRP for each event or *proceeding.* An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11C, 11D, 11E, 11F or 11G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U-4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ The *Applicant*
☐ *Applicant* and one or more *control affiliate(s)*
☐ One or more *control affiliate(s)*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name).

If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered'' by checking the appropriate checkbox.

NAME OF *APPLICANT*	*APPLICANT* CRD NUMBER

BD DRP - *CONTROL AFFILIATE*

CRD NUMBER

This *Control Affiliate* is ☐ Firm ☐ Individual

Registered: ☐ Yes ☐ No

NAME (For individuals, Last, First, Middle)

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U-4) or BD DRP to the CRD System for the event? If the answer; "Yes," no other information on this DRP must be provided.

☐ Yes ☐ **No**

NOTE: The completion of this form does not relieve the *control affiliate* of its obligation to update its CRD records.

(continued)

REGULATORY ACTION DISCLOSURE REPORTING PAGE (BD)

(continuation)

PART II

1. Regulatory Action initiated by:
☐ SEC ☐ Other Federal ☐ State ☐ *SRO* ☐ Foreign
(Full name of regulator, *foreign financial regulatory authority*, federal, state or *SRO*)

____

2. Principal Sanction: (check appropriate item)

☐ Civil and Administrative Penalty(ies)/Fine(s)
☐ Bar
☐ Cease and Desist
☐ Censure
☐ Denial
☐ Disgorgement
☐ Expulsion
☐ Injunction
☐ Prohibition
☐ Reprimand
☐ Restitution
☐ Revocation
☐ Suspension
☐ Undertaking
☐ Other ______________________

Other Sanctions:

____

____

____

3. Date Initiated (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

4. Docket/Case Number:

5. *Control Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type: (check appropriate item)

☐ Annuity(ies) - Fixed
☐ Annuity(ies) - Variable
☐ CD(s)
☐ Commodity Option(s)
☐ Debt - Asset Backed
☐ Debt - Corporate
☐ Debt - Government
☐ Debt - Municipal
☐ Derivative(s)
☐ Direct Investment(s) - DPP & LP Interest(s)
☐ Equity - OTC
☐ Equity Listed (Common & Preferred Stock)
☐ Futures - Commodity
☐ Futures - Financial
☐ Index Option(s)
☐ Insurance
☐ Investment Contract(s)
☐ Money Market Fund(s)
☐ Mutual Fund(s)
☐ No Product
☐ Options
☐ Penny Stock(s)
☐ Unit Investment Trust(s)
☐ Other ______________________

Other Product Types:

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7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.):

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8. Current Status? ☐ Pending ☐ On Appeal ☐ Final
9. If on appeal, regulatory action appealed to: (SEC, *SRO*, Federal or State Court) and Date Appeal Filed:

____

(continued)

REGULATORY ACTION DISCLOSURE REPORTING PAGE (BD)

(continuation)

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved: (check appropriate item)

☐ Acceptance, Waiver & Consent (AWC)
☐ Consent
☐ Decision
☐ Decision & Order of Offer of Settlement
☐ Dismissed
☐ Order
☐ Settled
☐ Stipulation and Consent
☐ Vacated

11. Resolution Date (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation:

12. A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☐ Monetary/Fine
Amount: **$**
☐ Revocation/Expulsion/Denial
☐ Censure
☐ Cease and Desist/Injunction
☐ Disgorgement/Restitution
☐ Bar
☐ Suspension

B. Other Sanctions Ordered:

C. Sanction detail: If suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate,* date paid and if any portion of penalty was waived:

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (BD)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL ***OR*** ☐ AMENDED response used to report details for affirmative responses to ***Item 11H*** of Form BD;

Check ☑ item(s) being responded to:

11H(1) Has any domestic or foreign court:

☐ (a) in the past ten years, *enjoined* the *applicant* or a *control affiliate* in connection with any *investmenf-related* activity?
☐ (b) ever *found* that the *applicant* or a *control affiliate* was *involved* in a violation of *investment-related* statutes or regulations?
☐ (c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against the *applicant* or a *control affiliate* by a state or *foreign financial regulatory authority*?

11H(2) ☐ Is the *applicant* or a *control affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of 11H?

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Item 11H. Use only one DRP to report details related to the same event. Unrelated civil judicial actions must be reported on separate DRPs.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U-4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ The *Applicant*
☐ *Applicant* and one or more *control affiliate(s)*
☐ One or more *control affiliate(s)*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name).

If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered'' by checking the appropriate checkbox.

NAME OF *APPLICANT*	*APPLICANT* CRD NUMBER

BD DRP - *CONTROL AFFILIATE*

CRD NUMBER

This *Control Affiliate* is ☐ Firm ☐ Individual

Registered: ☐ Yes ☐ No

NAME (For individuals, Last, First, Middle)

☐ This DRP should be removed from the BD record because the *control affiliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U-4) or BD DRP to the CRD System for the event? If the answer is "Yes,'' no other information on this DRP must be provided.

☐ Yes ☐ **No**

NOTE: The completion of this Form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Court Action initiated by: (Name of regulator, *foreign financial regulatory authority*, *SRO*, commodities exchange, agency, firm, private plaintiff, etc.)

(continued)

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (BD)

(continuation)

2. Principal Relief Sought: (check appropriate item)

☐ Cease and Desist
☐ Civil Penalty(ies)/Fine(s)
☐ Disgorgement
☐ Injunction
☐ Money Damages (Private/Civil Complaint)
☐ Restitution
☐ Restraining Order
☐ Other ______________

Other Relief Sought:

____

____

3. Filing Date of Court Action (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

4. Principal Product Type: (check appropriate item)

☐ Annuity(ies) - Fixed
☐ Annuity(ies) - Variable
☐ CD(s)
☐ Commodity Option(s)
☐ Debt - Asset Backed
☐ Debt - Corporate
☐ Debt - Government
☐ Debt - Municipal
☐ Derivative(s)
☐ Direct Investment(s) - DPP & LP Interest(s)
☐ Equity - OTC
☐ Equity Listed (Common & Preferred Stock)
☐ Futures - Commodity
☐ Futures - Financial
☐ Index Option(s)
☐ Insurance
☐ Investment Contract(s)
☐ Money Market Fund(s)
☐ Mutual Fund(s)
☐ No Product
☐ Options
☐ Penny Stock(s)
☐ Unit Investment Trust(s)
☐ Other ________________________________

Other Product Types:

____

5. Formal Action was brought in (include name of Federal, State or Foreign Court, Location of Court - City or County and State or Country, Docket/Case Number):

____

6. *Control Affiliate* Employing Firm when activity occurred which led to the civil judicial action (if applicable):

7. Describe the allegations related to this civil action. (The information must fit within the space provided.):

____

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8. Current Status? ☐ Pending ☐ On Appeal ☐ Final

9. If on appeal, action appealed to (provide name of court): Date Appeal Filed (MM/DD/YYYY):

____

10. If pending, date notice/process was served (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

(continued)

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (BD)

(continuation)

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 14 only.

11. How was matter resolved: (check appropriate item)

☐ Consent ☐ Judgment Rendered ☐ Settled
☐ Dismissed ☐ Opinion ☐ Withdrawn ☐ Other ________________________

12. Resolution Date (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

13. Resolution Detail:

A. Were any of the following Sanctions Ordered or Relief Granted? (Check appropriate items):

☐ Monetary/Fine ☐ Revocation/Expulsion/Denial ☐ Disgorgement/Restitution
Amount $ ☐ Censure ☐ Cease and Desist/injunction ☐ Bar ☐ Suspension

B. Other Sanctions:

____
____
____

C. Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against *applicant* or *control affiliate,* date paid and if any portion of penalty was waived:

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14. Provide a brief summary of circumstances related to action(s), allegation(s), disposition(s) and/or finding(s) disclosed above. (The information must fit within the space provided.):

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BANKRUPTCY / SIPC DISCLOSURE REPORTING PAGE (BD)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL ***OR*** ☐ AMENDED response used to report details for affirmative responses *to **Item 11I*** of Form BD;

Check ☑ item(s) being responded to:

11I In the past ten years has the *applicant* or a *control affiliate* of the *applicant* ever been a securities firm or a *control affiliate* of a securities firm that:
- ☐ (1) has been the subject of a bankruptcy petition?
- ☐ (2) has had a trustee appointed or a direct payment procedure initiated under the Securities Investor Protection Act?

Use a separate DRP for each event or *proceeding.* An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

It is not a requirement that documents be provided for each event or *proceeding.* Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

If a *control affiliate* is an individual or organization registered through the CRD, such *control affiliate* need only complete Part I of the *applicant's* appropriate DRP (BD). Details of the event must be submitted on the *control affiliate's* appropriate DRP (BD) or DRP (U-4). If a *control affiliate* is an individual or organization not registered through the CRD, provide complete answers to all the items on the *applicant's* appropriate DRP (BD). The completion of this DRP does not relieve the *control affiliate* of its obligation to update its CRD records.

PART I

A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):

☐ The *Applicant*
☐ *Applicant* and one or more *control affiliate(s)*
☐ One or more *control affiliate(s)*

If this DRP is being filed for a *control affiliate*, give the full name of the *control affiliate* below (for individuals, Last name, First name, Middle name).

If the *control affiliate* is registered with the CRD, provide the CRD number. If not, indicate "non-registered'' by checking the appropriate checkbox.

NAME OF *APPLICANT*	*APPLICANT* CRD NUMBER

BD DRP - CONTROL *AFFILIATE*

CRD NUMBER:

This *Control Affiliate* is ☐ Firm ☐ Individual

Registered: ☐ Yes ☐ No

NAME (For individuals, Last, First, Middle):

☐ This DRP should be removed from the BD record because the *control affilliate(s)* are no longer associated with the BD.

B. If the *control affiliate* is registered through the CRD, has the *control affiliate* submitted a DRP (with Form U-4) or BD DRP to the CRD System for the event? If the answer is "Yes,'' no other information on this DRP must be provided.

☐ Yes ☐ No

NOTE: The completion of this Form does not relieve the *control affiliate* of its obligation to update its CRD records.

PART II

1. Action Type: (check appropriate item)

☐ Bankruptcy ☐ Declaration ☐ Receivership
☐ Compromise ☐ Liquidated ☐ Other ____________________

2. Action Date (MM/DD/YYYY): ________ ☐ Exact ☐ Explanation

If not exact, provide explanation: ____________________

(continued)

BANKRUPTCY / SIPC DISCLOSURE REPORTING PAGE (BD)

(continuation)

3. If the financial action relates to an organization over which the *applicant* or *control affiliate* exercise(d) *control*, enter organization name and the *applicant's* or *control affiliate's* position, title or relationship:

____

Was the Organization *investment-related*? ☐ Yes ☐ **No**

4. Court action brought in (Name of Federal, State or Foreign Court), Location of Court (City or County and State or Country), Docket/Case Number and Bankruptcy Chapter Number (if Federal Bankruptcy Filing):

____

5. Is action currently pending? ☐ Yes ☐ **No**

6. If not pending, provide Disposition Type: (check appropriate item)

☐ Direct Payment Procedure ☐ Dismissed ☐ Satisfied/Released
☐ Discharged ☐ Dissolved ☐ SIPA Trustee Appointed ☐ Other ________________________

7. Disposition Date (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

8. Provide a brief summary of events leading to the action and if not discharged, explain. (The information must fit within the space provided.):

____
____
____

9. If a SIPA trustee was appointed or a direct payment procedure was begun, enter the amount paid or agreed to be paid by you; or the name of the trustee:

Currently Open? ☐ Yes ☐ No

Date Direct Payment Initiated/Filed or Trustee Appointed (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____

10. Provide details to any status/disposition. Include details as to creditors, terms, conditions, amounts due and settlement schedule (if applicable). (The information must fit within the space provided.)

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BOND DISCLOSURE REPORTING PAGE (BD)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL ***OR*** ☐ AMENDED response used to report details for affirmative responses to ***Item 11J*** of Form BD;

Check ☑ item(s) being responded to:

11J ☐ Has a bonding company ever denied, paid out on, or revoked a bond for the *applicant*?

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

It is not a requirement that documents be provided for each event or *proceeding*. Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

NAME OF *APPLICANT*	*APPLICANT* CRD NUMBER

1. Firm Name: (Policy Holder)

2. Bonding Company Name:

3. Disposition Type: (check appropriate item)

   ☐ Denied ☐ Payout ☐ Revoked

4. Disposition Date (MM/DD/YYYY): ☐ Exact ☐ Explanation

   If not exact, provide explanation: ____________________

5. If disposition resulted in Payout, list Payout Amount and Date Paid:

6. Summarize the details of circumstances leading to the necessity of the bonding company action: (The information must fit within the space provided.)

JUDGMENT / LIEN DISCLOSURE REPORTING PAGE (BD)

GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP BD) is an ☐ INITIAL ***OR*** ☐ AMENDED response used to report details for affirmative responses to ***Item 11K*** of Form BD;

Check ☑ item(s) being responded to:

11K ☐ Does the *applicant* have any unsatisfied judgments or liens against it?

Use a separate DRP for each event or *proceeding*. An event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

It is not a requirement that documents be provided for each event or *proceeding.* Should they be provided, they will not be accepted as disclosure in lieu of answering the questions on this DRP.

NAME OF *APPLICANT*	*APPLICANT* CRD NUMBER

1. Judgment/Lien Amount:

2. Judgment/Lien Holder:

3. Judgment/Lien Type: (check appropriate item)

☐ Civil ☐ Default ☐ Tax

4. Date Filed (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____________________

5. Is Judgment/Lien outstanding? ☐ Yes ☐ No

If No, provide status date (MM/DD/YYYY): ☐ Exact ☐ Explanation

If not exact, provide explanation: ____________________

If No, how was matter resolved? (check appropriate item)

☐ Discharged ☐ Released ☐ Removed ☐ Satisfied

6. Court (Name of Federal, State or Foreign Court), Location of Court (City or County and State or Country) and Docket/Case Number:

7. Provide a brief summary of events leading to the action and any payment schedule details including current status (if applicable). (The information must fit within the space provided.):

Registration of Successors to Broker-Dealers and Investment Advisers

File No IA-1357

SECURITIES AND EXCHANGE COMMISSION

Release No. 34-31661; 17 CFR Parts 240, 241 and 276; RIN 3235-AE54

1992 SEC LEXIS 3384; 58 FR 7

December 28, 1992

CORE TERMS: successor, registration, broker-dealer, predecessor, succession, entity, adviser, registered, Exchange Act, Advisers Act, dealer, broker, effective, municipal, unregistered, advisory, partnership, government securities, succeed, securities dealer, withdrawal, government securities dealer, interpretive, dual, cease, composition, acquire, Securities Exchange Act Release, required to file, reorganization

TEXT: [*1]

ACTION: Adoption of Rule Amendments; Interpretive Statement

SUMMARY: The Commission is adopting amendments to the rules under the Securities Exchange Act of 1934 governing the registration of successors to registered broker-dealers. The Commission also is issuing interpretive, guidance in this release regarding the registration of successors to broker-dealers and the registration of successors to investment advisers under the Investment Advisers Act of 1940. The amendments and interpretive statement are intended to clarify which entities may file as successors to registered broker-dealers and advisers, whether such filings should be in the form of an amendment to the predecessor's registration statement or in the form of a new application, and when such filings must be made.

EFFECTIVE DATES: The rule amendments will become effective on February 3, 1993. The interpretive positions become effective on December 28, 1992.

FOR FURTHER INFORMATION CONTACT: Robert L. D. Colby, Chief Counsel, or Belinda A. Blaine, Branch Chief, at (202) 504-2418, Office of Chief Counsel, Division of Market Regulation (with respect to broker-dealer [*2] successors); Eric C. Freed, Senior Counsel, at (202) 272-2107, Office of Disclosure and Investment Adviser Regulation, Division of Investment Management (with respect to investment adviser successors); Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION:

I. BACKGROUND

The Securities Exchange Act of 1934 ("Exchange Act") and the Investment Advisers Act of 1940 ("Advisers Act") respectively provide for the registration of "successors" to registered broker-dealers and investment advisers. n1 A successor is an unregistered entity that assumes and continues the business of a registered broker-dealer or adviser, which then ceases its broker-dealer or advisory activities. The purpose of the statutory provisions is to enable the successor to operate without an interruption of business by relying for a limited period of time on the registration of the predecessor broker-dealer or adviser. The Commission has adopted several rules to effectuate the statutory provisions of the Exchange Act and the Advisers Act. n2

n1 Section 15(b)(2) of the Exchange Act [*15 U.S.C. 78o*(b)(2)]; Section 203(g) of the Advisers Act [*15 U.S.C. 80b-3(g)*].

n2 Rules 15b1-3, 15Ba2-4,15Ba2-6, and 15Ca2-3 under the Exchange Act [17 CFR 240.15b1-3,15Ba2-4,15Ba2-6, and 15Ca2-3]; Rule 203-1 under the Advisers Act [17 CFR 275.203-1]. [*3]

In general, the statutory provisions and rules provide that a successor may rely on the registration of the predecessor until such time as its own registration becomes effective if it files an application for registration within thirty days of the succession. n3 The successor rules also provide that, in certain limited circumstances, the successor may file an amendment to the predecessor's registration statement, instead of an original application for registration, within the prescribed time period. n4

n3 See, e.g., paragraph (a) of Rule 15bl-3 under the Exchange Act; Section 203(g) of the Advisers Act.

n4 See, e.g., paragraph (b) of Rule 15bl-3 under the Exchange Act; paragraphs (b), (c) and (d) of Rule 203-1 under the Advisers Act.

Currently, broker-dealers that are members of the National Association of Securities Dealers, Inc. ("NASD") must make all filings with both the Commission and the NASD. In a companion release published today, the Commission announced that it is joining the Central Registration Depository ("CRD"), a computer system operated by the NASD that maintains registration information regarding NASD member firms and their registered personnel. Thus, effective January 25, 1993, all broker-dealers filing for succession by application (or amendment) will be required to file with the Commission through the CRD. See Securities Exchange Act Release No. 31660 (Dec. 28, 1992). Investment advisers will continue to file directly with the Commission. [*4]

II. AMENDMENTS TO BROKER-DEALER SUCCESSOR RULES

The Commission is adopting several technical amendments to the broker-dealer successor rules under the Exchange Act in order to address certain ambiguities in the rules. n5 As originally adopted, paragraph (a) of Rule 15b1-3 n6 allowed a broker-dealer that succeeded to and continued the business of a registered broker-dealer to operate under the registration of the predecessor for seventy-five days if, within thirty days of the succession, it filed its own application for registration on Form BD. n7 Paragraph (b) of the rule permitted a successor broker-dealer to file an amendment to the predecessor's Form BD if the succession was based on a change in the date or state of incorporation, form of organization, or composition of a partnership.

n5 These amendments, as well as an interpretive statement regarding the broker-dealer successor rules, were proposed for public comment in Securities Exchange Act Release No. 30959 (July 27, 1992), *57 FR 34048.* No comments were submitted in connection with the proposed amendments or the interpretive statement.

n6 Rule 15b1-3 was adopted in 1985 pursuant to Section 15(b)(2)(A) of the Exchange Act. See Securities Exchange Act Release No. 22468 (September 26, 1985), *50 FR 41867.*

n7 17 CFR 249.501. [*5]

In addition to minor revisions to the language of the rule, the amendments adopted today make two notable changes. First, paragraph (a) has been amended to provide that the predecessor's registration terminates forty-five days after the date on which the successor files its own application for registration on Form BD, rather than seventy-five days after the date of the succession. n8 This amendment is intended to address situations in which a successor broker-dealer submits an application within thirty days of the succession, but because the application is incomplete in certain minor respects, the seventy-five day period expires before the successor broker-dealer's registration becomes effective. Under the modified rule, the forty-five day period will not begin to run until a complete application has been filed with the Commission. n9

n8 This 45-day period is consistent with Section 15(b)(1)(B) of the Exchange Act, which provides that the Commission has 45 days in which to grant registration or to institute proceedings to determine if registration should be denied.

In addition, as discussed further below, the predecessor must file for withdrawal from registration.

n9 For further discussion of the timing requirements for successor filings, see discussion at Part IILD, infra. [*6]

Second, paragraph (b) of Rule 15b1-3 has been revised to clarify that successors may register by filing an amendment to the predecessor's Form BD, rather than a complete application on Form BD, only in certain limited circumstances, discussed below in Part III. Rule 15Ca2-3, which governs the registration of successors to government securities broker-dealers, and Rules 15Ba2-4 and 15Ba2-6, n10 which govern the registration of successors to municipal securities dealers, n11 also have been revised to be consistent with amended Rule 15bl-3

n10 Rule 15Ba2-6 also has been redesignated as Rule 15Ba2-4(b).

n11 Specifically, these rules permit a municipal securities dealer that succeeds to and continues the business of a registered municipal securities dealer to rely on the registration of the predecessor if it files an application or an amendment for registration on Form MSD [17 CFR 249.1100] (for a municipal securities dealer that is a bank or a separately identifiable department or division of a bank), or Form BD (for all other municipal securities dealers).

III. INTERPRETIVE POSITION ON BROKER-DEALER AND INVESTMENT ADVISER SUCCESSIONS

A. General

As discussed above, [*7] the purpose of the successor rules under both the Exchange Act and the Advisers Act is to facilitate the legitimate transfer of business between two or more entities. n12 The successor rules therefore are intended to be used only where there is a direct and substantial business nexus between the predecessor and the successor. They are not designed to allow registered broker-dealers or advisers to sell their registrations, eliminate substantial liabilities, spin off personnel, or to facilitate the transfer of the registration of a "shell" organization that does not conduct any business. n13 To ensure that there is a legitimate connection between the predecessor and successor, no entity may rely on the successor rules unless it is acquiring or assuming substantially all of the assets and liabilities of the predecessor's broker-dealer or advisory business. n14 Although under this standard the successor need not acquire every asset and liability of the predecessor, it may not exclude any significant asset or liability. n15 Therefore, an entity that is not assuming substantially all of the assets and liabilities of its predecessor is not entitled to rely on the successor rules, [*8] and must wait until its own registration becomes effective before engaging in business as a broker-dealer or investment adviser.

n12 The interpretive positions set forth in this release apply to both broker-dealers and investment advisers. Comparable treatment of broker-dealers and advisers eases compliance burdens on registrants that maintain dual registrations, and simplifies the review of registration materials by Commission staff.

n13 See Securities Exchange Act Release No. 22468 (Sept. 26, 1985), *50 FR 41867*

n14 An entity's status under the successor rules, however, is not determinative of whether it will be held liable for the acts of its predecessor. See generally Ricciardello v. J. W. Gant & Co., [1989-1990] *Fed. Sec. L. Rep. (CCH) P94,798* (July 7, 1989); Securities Exchange Act Release No. 25531 (March 30, 1988) (successor broker-dealer held liable for the predecessor's failure, prior to the succession, to maintain the required balance of cash or qualified securities in its reserve account for the exclusive benefit of customers); Hutson Management Co., Investment Advisers Act Rel. No. 1078 (Aug. 17, 1987) (successor investment adviser held liable for predecessor's violations of Section 10(f) of the Investment Company Act of 1940).

n15 The predecessor's liabilities, for example, may include: customer claims, monies or securities due to customers or other broker-dealers or advisers, unsatisfied judgments, and outstanding fees or fines. In a few instances, the staff of the Commission has granted no-action relief to allow successors to rely on Rule 15b1-3 without assuming a specific asset or liability of the predecessor. See, e.g., Alpha Management Inc. (December 21, 1989) [available on LEXIS] (permitting a successor broker-dealer to file an application under paragraph (a) of Rule 15b1-3 without acquiring the shares of a subsidiary not engaged in broker-dealer activities); and Franklin Financial Services, Inc., [1987-1988] *Fed. Sec. L. Rep. (CCH) P78,529* (July 2, 1987) (allowing a successor to proceed under paragraph (a) without assuming unknown contingent liabilities of the predecessor. The predecessor represented that it would retain adequate funds in escrow to meet any such contingent liabilities). [*9]

Because the successor rules are intended to allow an unregistered successor to rely on the registration of its predecessor for a limited period of time, they do not apply to reorganizations that involve only registered entities. In those situations, the registered entities need not use the successor rules because they can continue to rely on their existing registrations. For instance, if two registered broker-dealers merge, the surviving broker-dealer would file an amendment to its Form BD, while the acquired broker-dealer would file to withdraw its registration on Form BDW. n16 Furthermore, if a person or entity acquires some or all of the shares of a registered adviser, or if one registered adviser purchases or otherwise assumes part or all of the business assets or personnel of another registered adviser, there would be no need to rely on the successor provisions. n17

n16 17 CFR 249.501a.

n17 In the case of the purchase of the business assets or personnel of one registered adviser by another, the purchasing adviser would file an amendment to Form ADV [17 CFR 279.1] to reflect any changes in its operations, while the other adviser would file either Form ADV-W [17 CFR 279.3] or an amendment to its Form ADV, depending on whether it remained in the advisory business.

Of course, there is generally no difference in substance between the acquisition of an entity's shares and the acquisition of its assets, but in the latter case the presence of a new entity that will act as the broker-dealer or adviser necessitates reliance on the successor rules. The successor rules parallel state corporate laws in this regard, under which it is necessary to incorporate or register a new corporation, while no similar action is required if the ownership of an existing corporation changes. [*10]

In addition, the successor rules do not apply to situations in which the predecessor intends to continue to engage in broker-dealer or advisory activities. n18 Otherwise, confusion may result as to the identities and registration statuses of the parties. Thus, if a registered broker-dealer or adviser shifts a portion of its business operations to a new unregistered entity, but remains in the broker-dealer or advisory business, the new entity must file a complete application for registration and refrain from doing business until its application is approved by the Commission pursuant to Section 15(b)(1) of the Exchange Act or Section 203(c)(2) of the Advisers Act. n19

n18 See generally *F. W. Horne & Co., Inc. 38 S.E.C. 104 (1957)* (finding that a broker-dealer did not succeed to the registration of another broker-dealer, where the first broker-dealer continued to exist as a corporate entity with the ability to resume business, and where the acquiring broker-dealer failed to acquire all of the assets of the first broker-dealer).

n19 *15 U.S.C. 78o*(b)(1), 80b-3(c)(2). In addition, the registered broker-dealer or adviser would be required to promptly file an amendment on Form BD or Form ADV to reflect any changes in its operations. Like dual successions, discussed below, this type of reorganization is classified as a "partial acquisition" under the CRD system. See n.28, infra, and accompanying text. [*11]

B. Succession by Amendment

In limited circumstances, the successor rules permit the successor to file an amendment to the predecessor's Form BD or Form ADV, rather than its own original application for registration. n20 The only successions that may be completed by filing an amendment are those that are the result of a formal change in the structure or legal status of the broker-dealer or adviser; i.e., successions that involve the creation of a new legal entity, but no practical change in the control or operations of the broker-dealer or adviser. n21 Whether an actual change of control has occurred depends upon the facts and circumstances of the particular transaction. For purposes of the successor rules, however, the presumption of "control" in the instructions to Form BD and Form ADV offers some guidance. n22

n20 See, e.g., Rule 15b1-3(b) under the Exchange Act, Rule 203-1(b)-(d) under the Advisers Act.

In the case of a broker-dealer, the amendment to Form BD would include page 1 (the execution page), page 2 (indicating that the applicant is a successor), Schedule D, and any other pages containing information that is no longer accurate as a result of the change in the form of organization of the broker-dealer. See Rule 15b3-1(b) [17 CFR 240.15b3-1(b)] under the Exchange Act. In the case of an investment adviser, the amendment to Form ADV would include page 1, page 2, Schedule E and any other pages containing information required to be updated by Rule 204-1(b) [17 CFR 275.204-1(b)] under the Advisers Act.

n2l The successor rules provide that a succession that is based solely upon certain events, such as a change in form of organization, may be effected by amendment. See, e.g., Rule 15b1-3(b) under the Exchange Act (as amended); Rule 203-1 (d) under the Advisers Act. A succession that involves a change in control is not based solely upon an event enumerated in the rules, and therefore cannot be effected by amendment.

n22 Under the Advisers Act, a change of control of an adviser results in the "assignment" of its advisory contracts. Rule 202(a)(l)-1 under the Advisers Act [17 CFR 275.202(a)(l)-1]. The adviser must obtain client consent to the assignment under Section 205(a)(2) of the Advisers Act [*15 U.S.C. 80b-5*(a)(2)].[*12]

The types of successions that may be effected by filing an amendment are listed below. In all of these situations, the predecessor must cease operating as a broker-dealer or adviser.

1. Change in Form of Organization

An internal corporate reorganization or restructuring in which broker-dealer or advisory activities are transferred from one entity to another within the same organization, but that does not result in a change of control of the broker-dealer or adviser, would be filed by amendment. n23

n23 For example, an unregistered entity that acquires substantially all of the assets and liabilities of a registered entity owned by the same parent corporation may file an amendment to its predecessor's registration, provided that it (the surviving entity) continues to be wholly-owned by the parent corporation. In contrast, a corporate reorganization involving a change of control, such as a change in the beneficial owners of the broker-dealer or advisory operation, must be filed by application, as discussed in Part III.C, infra.

2. Change in Legal Status

A succession resulting from a change in the state of incorporation or a change in the form of business, such as from [*13] a partnership to a corporation, does not typically involve a change of control. Therefore, such a succession may generally be completed by amending the predecessor's Form BD or Form ADV promptly after the succession. n24

n24 Other changes in legal status that may be completed by filing an amendment include: (i) a change from general corporation to S corporation status under subchapter S of the Internal Revenue Code of 1986, as amended; and (ii) a change in a registered entity's name that results in the dissolution of the entity under local law. If a name change does not alter the entity's legal status, however, the successor rules do not apply. Instead, the registered entity would be required to promptly file an amendment to Form BD or Form ADV to reflect its new name. See Rule 15b3-1(b) under the Exchange Act; Rule 204-1(b) under the Advisers Act.

3. Change in Composition of a Partnership

A change in the composition of a partnership (by death, withdrawal, or inclusion of a partner) that results in the dissolution of the partnership under local law, but does not result in a change in control of the partnership, would be completed by filing an amendment to the predecessor's [*14] Form BD or Form ADV in order to reflect the changes in the partnership.

C. Succession by Application

In all other successions, the successor may operate under the registration of the predecessor for a limited period of time only if it files its own complete application for registration on Form BD or Form ADV. The following are examples of the types of reorganizations that must be completed by filing an application. n25

n25 Unless otherwise indicated, the titles below correspond to the classification of the succession under the CRD's "mass transfer" program, which determines whether registered representatives of a broker-dealer may have their registrations transferred to another entity.

1. Acquisitions

In a typical succession, an unregistered entity purchases or assumes substantially all of the assets and liabilities of a registered broker-dealer or adviser, and the unregistered entity then operates the business of the broker-dealer or adviser. n26 Under the successor rules, the new entity must file a complete application within thirty days of the succession, while the predecessor must file for withdrawal from registration on Form BDW or Form ADV-W. n27

n26 However, if no change in control occurs in connection with the transaction (e.g., the beneficial owners of the adviser or broker-dealer remain the same), the succession could be effected by filing an amendment. See Part III.B, supra.

n27 See Rule 15b6-1 under the Exchange Act [17 CFR 240.15b6-1]; Rule 203-2 under the Advisers Act [17 CFR 275.203-2]. [*15]

2. Consolidations

If two or more registered entities consolidate their firms and conduct their business through a new unregistered entity, which assumes substantially all of the assets and liabilities of the predecessor entities, the new entity would be required to file a complete application on Form BD or Form ADV, while the predecessor firms would each be required to file for withdrawal from registration on the appropriate form.

3. Dual Successions n28

n28 Under the CRD's mass transfer program, this type of reorganization is classified as a "partial acquisition."

Successions in which one registered entity subdivides its business into two or more new unregistered entities are known as "dual successions," and may be effected by application under the successor rules. A dual succession may occur, for instance, when a clearing broker-dealer decides to separate its own retail broker functions from its clearing broker functions by creating two new entities. In that case, the successors in combination must acquire substantially all of the assets and liabilities of the predecessor. Each successor must then file a complete application on Form BD within thirty days of the succession, [* 16] while the predecessor broker-dealer must file an application for withdrawal on Form BDW. n29

n29 Both successors in a dual succession must file original applications for registration, regardless of whether there is a change in control of the broker-dealer or advisory operation.

4. Division of Dual Registrants n30

n30 In the case of a division of dual registrants, the CRD category will be based on the type of broker-dealer reorganization.

For business reasons, an entity registered as both an investment adviser and as a broker-dealer may wish to separate its services by transferring either the broker-dealer or advisory activities to a new unregistered entity. If that unregistered entity acquires substantially all of the assets and liabilities of the broker-dealer or advisory operation or division, and there is a change of control of that operation or division, the unregistered entity would be a successor required to file by application. n31

n31 The predecessor also would be required to file Form BDW or ADV-W. See, e.g., Alpha Management Inc. (December 21, 1989) [available on LEXIS].

D. Timing Requirements

In order to temporarily rely on its predecessor's [*17] registration, a successor must file the required application or amendment within thirty days of the succession. n32 Occasionally, situations arise in which a successor broker-dealer or adviser submits an application within thirty days of the succession, but because the application is incomplete in certain minor respects, the application is not considered "filed" until after the thirty-day period has expired. n33 Notwithstanding the fact that the filing requirements technically have not been met, the Commission would permit a successor that submits a substantially complete application or amendment within thirty days of the succession to rely on its predecessor's registration under the successor rules. A successor entity, however, will not be permitted to "lock in" the thirty-day window period by submitting an application that is incomplete in major respects, or by otherwise failing to file an application that represents a good faith attempt at compliance with the successor rules. n34 n32 Rule 15bl-3 under the Exchange Act; Section 203(g) of the Advisers Act.

n33 Rule 0-3 under the Exchange Act [17 CFR 240.0-3] provides that a report or application is not "filed" for purposes of the Act until it fully complies with all of the requirements of the applicable rule or provision of the statute. While there is no comparable rule under the Advisers Act, the Commission likewise does not consider incomplete documents to be "filed" under the Advisers Act.

n34 As discussed above, the Commission is amending paragraph (a) of Rule 15b1-3) under the Exchange Act to provide that the registration of a predecessor broker-dealer ceases to be effective as the registration of the successor broker-dealer forty-five days after the application for registration on Form BD is filed by the successor, rather than seventy-five days after the succession. Therefore, because the Commission must act on applications for registration within forty-five days (see note 8, supra), the registration of the predecessor will not expire during the period that the successor needs to rely on such registration. Neither the Advisers Act nor the rules thereunder specify when the registration of the predecessor expires. However, Form ADV-W must be filed to withdraw the registration of the predecessor, and Form ADV-W becomes effective on the 60th day after filing. See Rule 203-2(b) under the Advisers Act. Therefore, the predecessor's registration will expire only after the successor has established its own registration, which, as under the Exchange Act, will occur within forty-five days after the filing of the successor application. See Section 203(c)(2) of the Advisers Act [*15 U.S.C. 80b-3*(c)(2)]. [* 18]

IV. Effects on Competition and Regulatory Flexibility Act Considerations

Section 23(a)(2) of the Exchange Act n35 requires the Commission, in adopting rules under the Exchange Act, to consider the anticompetitive effects of such rules, if any, and to balance any anticompetitive impact against the regulatory benefits gained in terms of furthering the purposes of the Exchange Act. The Commission believes that the clarifying amendments to the broker-dealer successor rules will not result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

n35 15 U.S.C. 78w(a)(2).

In addition, the Commission has prepared a Final Regulatory Flexibility Analysis ("FRFA"), pursuant to the requirements of the Regulatory Flexibility Act, n36 regarding the revisions to the rules. A copy of the FRFA may be obtained from Belinda Blaine, Branch Chief, Office of Chief Counsel, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

n36 5 U.S.C. 603.

List of Subjects in 17 CFR Parts 240 and 241

Registration of brokers and dealers, Registration of government securities [*19] brokers and government securities dealers, Registration of non-bank municipal securities dealers; Reporting and recordkeeping requirements, Securities, Broker-Dealers

List of Subjects in 17 CFR Part 276

Investment advisers, Reporting and recordkeeping requirements, Securities

V. Statutory Basis and Text of Proposed Amendments

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:
PART 240 — GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934
1. The authority citation for Part 240 continues to read as follows:
Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78i, 78j, 781, 78m, 78n, 78o, 78p, 78s, 78w, 78x, 7811(d), 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, and 80b-11, unless otherwise noted.

2. By revising § 240.15bl-3 to read as follows:
§ 240.15b1-3 Registration of Successor to Registered Broker or Dealer.

(a) In the event that a broker or dealer succeeds to and continues the business of a broker or dealer registered pursuant to Section 15(b) of the Act, the registration of the predecessor shall be deemed to remain effective as the registration [*20] of the successor if the successor, within 30 days after such succession, files an application for registration on Form BD, and the predecessor files a notice of withdrawal from registration on Form BDW; Provided, however, That the registration of the predecessor broker or dealer will cease to be effective as the registration of the successor broker or dealer 45 days after the application for registration on Form BD is filed by such successor.

(b) Notwithstanding paragraph (a) of this section, if a broker or dealer succeeds to and continues the business of a registered predecessor broker or dealer, and the succession is based solely on a change in the predecessor's date or state of incorporation, form of organization, or composition of a partnership, the successor may, within 30 days after the succession, amend the registration of the predecessor broker or dealer on Form BD to reflect these changes. This amendment shall be deemed an application for registration filed by the predecessor and adopted by the successor.

3. By revising § 240.15Ba2-4 to read as follows:
§ 240.15Ba2-4 Registration of Successor to Registered Municipal Securities Dealer.

(a) In the event that a municipal [*21] securities dealer succeeds to and continues the business of a registered municipal securities dealer, the registration of the predecessor shall be deemed to remain effective as the registration of the successor if the successor, within 30 days after such succession, files an application for registration on Form MSD, in the case of a municipal securities dealer that is a bank or a separately identifiable department or division of a bank, or Form BD, in the case of any other municipal securities dealer, and the predecessor files a notice of withdrawal from registration on Form MSDW or Form BDW, as the case may be; Provided, however, That the registration of the predecessor dealer will cease to be effective as the registration of the successor dealer 45 days after the application for registration on Form MSD or Form BD is filed by such successor.

(b) Notwithstanding paragraph (a) of this section, if a municipal securities dealer succeeds to and continues the business of a registered predecessor municipal securities dealer, and the succession is based solely on a change in the predecessor's date or state of incorporation, form of organization, or composition of a partnership, the [*22] successor may, within 30 days after the succession, amend the registration of the predecessor dealer on Form MSD, in the case of a predecessor municipal securities dealer that is a bank or a separately identifiable department or division of a bank, or on Form BD, in the case of any other municipal securities dealer, to reflect these changes. This amendment shall be deemed an application for registration filed by the predecessor and adopted by the successor.

4. By removing and reserving § 240.15Ba2-6.

5. By revising § 240.15Ca2-3 to read as follows:
§ 240.15Ca2-3 Registration of Successor to Registered Government Securities Broker or Government Securities Dealer.

(a) In the event that a government securities broker or government securities dealer succeeds to and continues the business of a government securities broker or government securities dealer registered pursuant to Section 15C(a)(1)(A) of the Act, the registration of the predecessor shall be deemed to remain effective as the registration of the successor if the successor, within 30 days after such succession, files an application for registration on Form BD, and the predecessor files a notice of withdrawal from registration [*23] on Form BDW; Provided, however, That the registration of the predecessor government securities broker or government securities dealer will cease to be effective as the registration of the successor government securities broker or government securities dealer 45 days after the application for registration on Form BD is filed by such successor.

(b) Notwithstanding paragraph (a) of this section, if a government securities broker or government securities dealer succeeds to and continues the business of a predecessor government securities broker or government securities dealer that is registered pursuant to Section 15C(a)(1)(A) of the Act, and the succession is based solely on a change in the predecessor's date or state of incorporation, form of organization, or composition of a partnership, the successor may, within 30 days after the succession, amend the registration of the predecessor broker or dealer on Form BD to reflect these changes. This amendment shall be deemed an application for registration filed by the predecessor and adopted by the successor.

PART 241 — INTERPRETIVE RELEASES RELATING TO THE SECURITIES EXCHANGE ACT OF 1934 AND GENERAL RULES AND REGULATIONS THEREUNDER [*24]

Part 241 of Chapter II of Title 17 of the Code of Federal Regulations is amended by adding this Interpretive Release [Release No. 34-31661] to the lists of Interpretive Releases.

PART 276 — INTERPRETIVE RELEASES RELATING TO THE INVESTMENT ADVISERS ACT OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

Part 276 of Chapter II of Title 17 of the Code of Federal Regulations is amended by adding this Interpretive Release [Release No. IA-1357] to the lists of Interpretive Releases.

By the Commission.